



The Trend in Finance

Vigorous Driving Depresses Industrial Stocks Below the Average Prices of Last December; Credit Is Easier

HUMAN perception operates according to other than mathematical laws. Folk see, to a large extent, what they want to or expect to. Last week, for example, that segment of the human race which speculates in securities was attuned to learn of the unfavorable, the pessimistic, the reports destructive to market values. So constructive a development as recognition by such high authority as the directors of the Federal Reserve Bank of New York, buttressed by the Federal Reserve Board at Washington, that the credit strain was practically over by the second cut this spring in discount rates on commercial paper was ignored by the dominant characters in the whirlpool of speculation.

Repetition of old rumors about ad-

verse conditions of the oil fields of Mexico, continued weakness in raw and refined sugar, heightened dullness in the barometric steel industry, and further reductions or passing of dividends—such items as the news were avidly absorbed by traders. And on each of the last four sessions of the week the average quotation of thirty typical industrial stocks tumbled helplessly to the lowest levels attained thus far in 1921. Without any repetition of the panicky feeling of the disastrous sessions of last December, quotations receded until on the average the last vestiges of the recovery earlier this spring were effaced. At the depth of the slump last December the industrial average was 67.67, compared with 62.25 on last Saturday.

The action of the market, after more than a month of decline, is causing much philosophical speculation among those who look upon it as a forecaster of what is coming in business. If the market has been foretelling the future during the last two fortnights, the coming months are not likely to be replete with the same degree of recovery as was hoped for. In assessing the meaning of the recent quiet slump, one should remember how largely it has been facilitated by bold driving tactics by professional speculators in quest of a decline.

There is nothing fatalistic in the judgment of speculators. The nature of the present readjustment in industry is unprecedented, and even the wisest bankers and the shrewdest business men are waiting humbly day by day to learn from the event.

Ask for letter TR-8.

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The stocks of these companies appear to possess interesting speculative possibilities. We shall be glad to send copies of a recent letter discussing them, as well as the general market, to interested investors.

Ask for letter TR-8.

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Ask for circular NYT-36

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Wool Survey Shows Big Surplus of World Stock

Other Agricultural Interests Encroaching on Sheep Lands,

Tariff Commission Reports

From The Tribune's Washington Bureau

WASHINGTON, June 19.—The United States Tariff Commission announced today that it has completed its survey of the wool-growing industry of the world, which, in many respects, is a continuation of the study made by the Tariff Board in 1911.

The outstanding feature of the industry in the United States, according to the commission's report, is the gradual encroachment of other agricultural pursuits on the sheep ranges of the country.

The report of the situation, especially in regard to the surplus wool and the slump in prices, went down to January 1, 1921. It shows that on that date the United States had on hand about 20 per cent more than the normal amount of wool and consumption by the mill was decided below normal.

This heavy surplus which bore heavily on the price of the 1921 clip was not confined to the United States, but was noted in the chief producing countries abroad, especially Australia and New Zealand. "This surplus is depressing the world price of wool and it is being released gradually through semi-government control," says the report.

National City Opens Branch

The Forty-second Street branch of the National City Bank of New York will be opened for business later in the former Manhattan Hotel Building on Madison Avenue and Forty-second Street. The building was purchased some time ago and converted into a modern office building, and banking quarters have been established on the ground floor.

This marks the first use by the National City of the amendment to the Federal Reserve Act allowing national banks to operate branches, although the bank operates more than seventy-five foreign branches in all important countries throughout the world.

Brazil Studying National Coal

Dr. Simon Lopes, the Brazilian Minister of Agriculture, has ordered that studies and experiments with Brazilian coal be continued, and toward this end he is hastening the installation of the experimental station for combustible and mine products, adjoining the Ministry of Agriculture. The station is erecting boiler suitable for locomotives and ships, in which various types of national coal will be tested.

Transactions Last Week in Listed Stocks

Summary of Stock Exchange Dealings

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Stocks West Coast Year to date

Last week. Before. 1921. 1919.

Railroad stocks 742,700 1,657,800 149,800 13,126,500 30,891,200 28,971,600

Other stocks 3,822,400 3,720,300 1,666,300 66,891,300 90,101,800 92,998,700

All stocks 4,565,100 4,379,100 2,058,100 85,027,800 120,993,100 131,970,300

Bonds West Coast Year to date

Last week. Week before. Year to date

U.S. government bonds \$42,967,000 \$63,587,000 \$49,874,000 \$22,316,000 \$1,299,000

Other bonds 9,785,000 11,551,000 90,870,000 221,714,000 264,801,000

Railroad bonds 11,781,000 17,101,000 13,727,000 66,513,000 327,519,000

All bonds 64,493,000 92,189,000 72,688,000 1,433,304,000 1,892,304,000

Record of Stock and Bond Averages

(Copyright, 1921, New York Tribune Inc.)

Stocks Range Jan. 1 to date

Last week. High. Low. High. Low. High. Low.

20 Railroads 61.80 59.70 61.35 60.25 65.60 50.25 73.80 58.80

10 Industrials 65.70 65.27 92.10 91.50 79.13 65.27 110.30 57.67

5 Utilities 72.68 72.52 69.95 69.82 73.70 70.13 74.88 67.44

50 Stocks 65.66 65.64 78.90 77.92 74.12 63.04 82.06 64.30

Bonds Range Jan. 1 to date

Last week. High. Low. High. Low. High. Low.

10 Railroads 71.45 71.05 68.73 68.35 78.23 71.01 78.78 66.73

10 Industrials 80.81 80.53 84.20 84.03 84.53 88.69 91.45 81.30

5 Utilities 72.68 72.52 69.95 69.82 73.70 70.13 74.88 67.44

25 Bonds 75.62 75.12 78.12 75.72 75.25 75.25 73.94

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The investor often needlessly lowers this essential factor when, by proper advice and selection, it is possible to obtain bonds combining both features.

Upon request we shall be glad to send a list of bonds complying with the requirements of sound investments.

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